



OVERSIGHT BOARD OF THE SUCCESSOR AGENCY

RESOLUTION NO. OB 2015-3

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE ATWATER REDEVELOPMENT AGENCY APPROVING THE PROPOSAL FOR SUCCESSOR AGENCY CONSULTING SERVICES, FISCAL YEAR 2015-16 PROVIDED BY ROSENOW SPEVACEK GROUP

WHEREAS, the City of Atwater ("City") has elected to serve as the Successor Agency to the former Atwater Redevelopment Agency ("Successor Agency") pursuant to Assembly Bill x1 26 ("AB x1 26" or the "Dissolution Act") as codified in the California Health & Safety Code ("HSC"); and

WHEREAS, the Oversight Board of the Successor Agency to the Atwater Redevelopment Agency ("Oversight Board") was created pursuant to HSC Section 34180 to review and approve actions taken by the Successor Agency; and

WHEREAS, the complexities and requirements of the Redevelopment dissolution process and the limited budget of the City make it difficult for the City to manage the duties and responsibilities of the Successor Agency single-handedly; and

WHEREAS, Rosenow Spevacek Group ("RSG") has provided consulting services since the beginning of Redevelopment dissolution for the Successor Agency to fulfill its obligations; and

WHEREAS, RSG has submitted a proposal for Successor Agency consulting services for Fiscal Year 2015-16 detailing the work that the Successor Agency needs to complete during the fiscal year and how RSG will help to realize that work; and

WHEREAS, the Oversight Board approved the Successor Agency's allocation of expenses for RSG consulting services in its FY 2015-16 Administrative Budget; and

WHEREAS, the Successor Agency formally approved the proposal at its February 9, 2015 meeting.

NOW, THEREFORE, the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Atwater, does hereby resolve as follows:

Section 1. Recitals.

The foregoing recitals are true and correct and made a part of this Resolution.

Section 2. Approval of RSG's proposal for Successor Agency consulting services.

The Oversight Board hereby approves RSG's proposal for consulting services for Fiscal Year 2015-16.

Section 3. Transmittal to State Department of Finance.

The Oversight Board hereby authorizes and directs Successor Agency staff to transmit a copy of this resolution to the State of California Department of Finance pursuant to HSC Section 34179 (h).

APPROVED: The foregoing resolution is hereby adopted this 17th day of February, 2015.

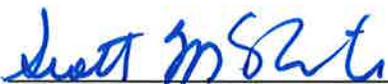
AYES: ALLISON, McDANIEL, SHEPARD, FREITAS, HOLMAN, PRICE
NOES: NONE
ABSENT: DEOL

APPROVED:



JAMES E. PRICE, CHAIR

ATTEST:



**SCOTT McBRIDE,
BOARD SECRETARY**



BETTER COMMUNITIES. BOLDER FUTURES.

**ROSENOW SPEVACEK GROUP INC.
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January 30, 2015

Via Electronic Mail

Scott McBride, Director of Economic Development & Special Projects
CITY OF ATWATER
750 Bellevue Road
Atwater, CA 95301

PROPOSAL FOR SUCCESSOR AGENCY CONSULTING SERVICES, FISCAL YEAR 2015-16

Dear Mr. McBride:

RSG is pleased to present this proposed scope of work and budget to provide the City of Atwater ("City") and the Successor Agency to the Atwater Redevelopment Agency ("Successor Agency") with continued administrative services related to Assembly Bill x1 26 ("ABx1 26") and Assembly Bill 1484 ("AB 1484"). Our role would be to provide technical, management, and administrative services to enable staff to wind down the affairs of the former Redevelopment Agency, meet ongoing reporting requirements, conduct financial and strategic planning, and provide other services as directed by staff.

Specific assignments may include but are not limited to the following:

- Financial Planning and Transition Services including advising on the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget
- Property Disposition Strategic Planning and Activities
- Organizational Structuring
- Project Advisory Services
- Project Management Services
- Meetings of the Oversight Board
- Meetings, Agenda, and Staff Report Assistance
- Monitoring of Legal Requirements and Covenants
- Financial Advisory Services
- Legislative Analysis
- Taxing Entity Consultations
- Others Services as Designated

**FISCAL HEALTH
ECONOMIC DEVELOPMENT
REAL ESTATE, HOUSING
AND HEALTHY COMMUNITIES**

SCOPE OF SERVICES

RSG has specifically identified the following tasks that Staff will need to consider in the near-term:

Task 1 – Preparation of Successor Agency ROPS 15-16B and 16-17A (January through June 2016 and July through December 2016)

RSG will prepare drafts of the Recognized Obligation Payment Schedules (“ROPS”) due in Fiscal Year 2015-16 pursuant to Health and Safety Code Section 34177. The ROPS will cover the periods of January 1, 2016 through June 30, 2016 and July 1, 2016 through December 31, 2016. If pending legislation is approved, the second ROPS prepared would cover the period of July 1, 2016 to June 30, 2017. The ROPS will include a detailed list of anticipated enforceable obligations for the ensuing six-month or annual period, any differences between estimates and actual obligation payments on the prior year’s ROPS, and a detailed summary of fund balances. RSG will prepare the ROPS to address new requirements imposed by new legislation, if any.

The ROPS must be approved by the Oversight Board and submitted to the State Department of Finance (“DOF”) and County Auditor-Controller’s office by **October 5, 2015** for the first time period and **either March 3, 2016** (if the ROPS remain based on six-month periods) **or February 1, 2016** (if they change to annual periods) for the second time period. Health & Safety Code Section 34177(m)(2) institutes a \$10,000 per day penalty for failure to submit the ROPS by the deadline. Furthermore, Section 34177(m) states that if a Successor Agency has not submitted a ROPS by the due date, the maximum administrative cost allowance for the period covered by the ROPS will be reduced by 25%.

Task 2 – Long-Term Cash Flow

RSG will also assist the Successor Agency to plan for the future. By preparing and providing a long-term cash flow summarizing ROPS periods to date and projecting revenues and expenditures through Fiscal Year 2020-21, RSG will anticipate financial problems before they occur and work with the Successor Agency to plan accordingly to prevent those problems and to use anticipated revenues most efficiently. RSG’s analysis and understanding of recent and upcoming legislation pertaining to Redevelopment dissolution will offer the Successor Agency insight on the ramifications of the most recent legislative changes and an explanation of the immediate and future impacts to the Successor Agency and affected taxing entities.

Task 3 – Property Disposition Procedures/Activities

To satisfy the requirements of Section 34191.5 of AB 1484, RSG worked with the Successor Agency to prepare a Long Range Property Management Plan (“LRPMP”) addressing the disposition and use of real property owned by the former Redevelopment Agency. The Successor Agency and the Oversight Board approved the LRPMP and submitted it to DOF on November 20, 2013. After receiving comments from DOF, the Successor Agency revised the LRPMP accordingly. The Oversight Board approved the revised LRPMP on April 21, 2014. DOF did the same on May 29, 2014.

RSG prepared Disposition Procedures to guide disposition of the former Redevelopment Agency properties that will not be retained for governmental use pursuant to the DOF-approved LRPMP. The Successor Agency and the Oversight Board reviewed and formally approved the Disposition Procedures in August 2014. RSG has begun assisting the Successor Agency with carrying out disposition activities. The Successor Agency has selected an appraiser to identify the current market value of the properties. RSG will continue to assist, including but not limited to, drafting resolutions and staff reports to get approval on the market values as minimum sale prices from the Oversight Board and DOF, deciding on a disposition method, preparing a marketing strategy, reaching out to potential buyers, and reviewing offers.

The cost of these activities may be funded from sale proceeds resulting from disposition and/or as enforceable obligations on the ROPS.

Task 4 – Analysis of Future Legislation

RSG excels at analyzing legislation and quickly identifying the fiscal and procedural implications for local agencies. With long-term involvement in the League of California Cities, the California Association for Local Economic Development, the California Association of Local Agency Formation Commissions, and the former California Redevelopment Association, RSG has developed expertise in helping our clients navigate complex legislation. RSG staff keeps track of legislative developments and their legal interpretations as they occur, ensuring that staff members understand new legislation and can guide the City of Atwater through the complicated legal framework of Redevelopment dissolution. We can meet with the Successor Agency to review the ramifications of the most recent changes and explain the immediate and future impacts to the Successor Agency and affected taxing agencies.

Task 5 – Participation in Department of Finance and County Auditor Controller meetings

It is reasonable to expect, given the complexities of Redevelopment dissolution, that issues will arise requiring discussions and negotiations with DOF and Merced County. RSG will guide the Successor Agency and provide its expert advice in dealing with Meet and Confer requests and other steps in the process of appealing decisions. This will help Atwater to be well represented and receive fair treatment in interactions with DOF and the county.

PROJECT TEAM

To provide the best, most transparent services, RSG dedicates at least one Principal and a Project Manager to each project and creates a core group of people that works with each client on a consistent basis throughout all stages of the assignment. We employ a passionate and talented team of associates and analysts, who blend an understanding of each client's situation with our expertise in researching, analyzing, modeling, and ultimately developing recommendations and results.

Ms. Tara Matthews will assume the role of Principal-in-Charge for this engagement. Ms. Matthews will be assisted by Mr. Dima Galkin, Analyst. Ms. Matthews, will be the primary contact for this engagement. Additionally, other RSG staff may be assigned as needed. Staff resumes can be found on our company website under the following link: www.webrsg.com/team.

FEES

Our services for this engagement would be charged on a time-and-materials basis. RSG does not charge clients for travel or mileage (except direct costs related to field work/surveys), parking, standard telephone/fax expenses, general postage, or incidental copies. However, we do charge for messenger services, overnight shipping/express mail costs, and teleconferencing services. Any third party data required may also be charged to the client; typical examples include copies of the equalized assessment roll and CoStar Market data. We also charge for copies of reports, documents, notices, and support material in excess of five (5) copies. These costs are charged back at the actual expense plus a 10% surcharge.

RSG issues monthly invoices payable upon receipt, unless otherwise agreed upon in advance. Invoices identify tasks completed to date, hours expended, and the hourly rate.

Scott McBride, Director of Economic Development & Special Projects
CITY OF ATWATER
January 30, 2015
Page 4

HOURLY BILLING RATES:

| | |
|--------------------|--------|
| Principal/Director | \$ 210 |
| Senior Associate | 165 |
| Associate | 150 |
| Senior Analyst | 125 |
| Analyst | 115 |
| Research Assistant | 100 |
| Technician | 75 |
| Clerical | 60 |

Reimbursable Expenses Cost plus 10%

We will provide these services on a time-and-materials basis, with a not to exceed amount of \$25,000 to undertake these assignments for the City and Successor Agency. The scope of work in this proposal qualifies as successor agency administrative activities eligible to be funded as part of the ROPS. The Successor Agency, the Oversight Board, and DOF will review the aforementioned amount as part of the Fiscal Year 2015-16 administrative budget for the Successor Agency.

We appreciate the opportunity to submit our proposal. If this proposal is acceptable as written, please sign where indicated and return to our office at your earliest convenience. Thank you for the opportunity to assist the City. If you have any questions, please do not hesitate to contact me.

Sincerely,
ROSENOW SPEVACEK GROUP, INC.



Tara Matthews
Principal

APPROVED AND AUTHORIZED TO PROCEED:

Signature: _____

Printed
Name: _____

Title: _____

Date: _____